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RECORDATION NO. 8140-C FILED
AUG 29 '01 10:11 AM
TS
SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

August 28, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a Second Memorandum of Lease Termination, dated as of August 28, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease of Railroad Equipment, as amended, which was previously filed with the Commission under Recordation Number 8140.

The names and addresses of the parties to the enclosed document are:

Lessor: PHH Vehicle Management Services, Inc.
350 Burnhamthorpe Road, West
Mississauga, Ontario
L5B 3P9 Canada

Lessee: Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9

Mr. Vernon A. Williams
August 28, 2001
Page Two

A description of the railroad equipment covered by the enclosed schedule is:

190 covered hopper railcars CN 371702 - CN 371891

A short summary of the document to appear in the index follows:

Second Memorandum of Lease Termination

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm
Enclosures


SECOND MEMORANDUM OF LEASE TERMINATION
dated as of August 28, 2001 between **PHH Vehicle Management Services Inc.** ("PHH") and **Canadian National Railway Company** ("CN").

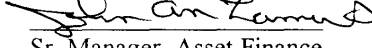
WHEREAS, PHH (formerly known as *Peterson, Howell & Heather (Canada) Limited*) as lessor and CN as lessee entered into a Lease of Railroad Equipment dated as of November 3, 1975, as amended by a Lease Amendment Agreement dated as of July 15, 2000, (the "Lease") currently covering 190 covered hopper cars as more particularly specified in Schedule A hereto (the "Hopper Cars").

IN WITNESS WHEREOF, the parties wish to show for the public record that as of the day and year first above written the Lease was terminated in respect of the Hopper Cars and, accordingly have caused this Second Memorandum to be executed by their officers thereunto duly authorized.

**PHH VEHICLE MANAGEMENT
SERVICES INC.,**

**CANADIAN NATIONAL
RAILWAY COMPANY,**

By: 
Its: Vice-President, Finance

By: 
Its: Sr. Manager, Asset Finance

Notes: Registrar General of Canada: On November 6, 1975, such Lease of Railroad Equipment was deposited in the Office of the Registrar General of Canada pursuant to Section 86(1) of the Railway Act of Canada (now Section 105 of the Canada Transportation Act). The Trust Indenture (described below) was not so deposited but, as a precautionary measure, the Release and Discharge (described below) was deposited on October 7, 1999. On September 6, 2000, a Memorandum of Lease Termination and Extension dated as of August 28, 2000 was also deposited (which, among other things, terminated such Lease of Railroad Equipment in respect of certain bulkhead flat cars more particularly described therein).

Surface Transportation Board: On December 4, 1975 at 4:40 P.M., a certain Trust Indenture dated as of November 1, 1975 between The Royal Trust Company and PHH (related to such Lease of Railroad Equipment and the units of railroad rolling stock thereunder) was filed at the Interstate Commerce Commission (now the Surface Transportation Board) pursuant to Section 20c of the Interstate Commerce Act (now 49 U.S.C. 11301) and assigned primary recordation number 8140 (and which filing was cross referenced against CN). On November 1, 1999 at 8:30 A.M., such Indenture was released by a Release and Discharge dated as of September 15, 1999 which was filed and assigned secondary recordation number 8140-A. On September 6, 2000 at 3:24 P.M., such Memorandum of Lease Termination and Extension was also filed and was assigned secondary recordation number 8140-B.

CN File Reference: 2042-46

RECORDATION NO. 8140-C FILED

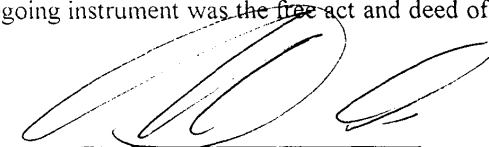
AUG 29 '01 10:11 AM

SURFACE TRANSPORTATION BOARD

PROVINCE OF ONTARIO)
)
CITY OF TORONTO)

*In the matter of a Second Memorandum
dated as of August 28, 2001.*

On this 24 day of August, 2001, before me personally appeared Ivan Juric, to me personally known, who, being by me duly sworn, says that he is Vice-President, Finance of PHH Vehicle Management Services Inc., that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

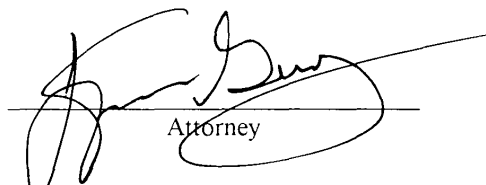
My commission expires: _____
[Notarial Seal]

KBAR ALI, B.E.S.; LL.B.
Barrister and Solicitor

PROVINCE OF QUEBEC)
)
DISTRICT OF MONTREAL)

*In the matter of a Second Memorandum
dated as of August 28, 2000.*

On this 22nd day of August, 2001, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is duly authorized to state that the foregoing instrument was signed on behalf of Canadian National Railway Company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Attorney

Bar #: 188726-2

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Schedule A to Memorandum

Hopper Cars

190 3,800 cubic foot 100-ton covered hopper cars, built in December 1974 by National Steel Car Limited of Hamilton, Ontario, bearing the following marks and numbers:

CN 371702 to CN 371891 inclusive.

Note: As of the date hereof, 19 of the foregoing hopper cars have previously suffered a 'Casualty Occurrence' under the Lease for which the 'Casualty Value' has been paid.

